

# State of South Dakota

SEVENTY-FIFTH SESSION  
LEGISLATIVE ASSEMBLY, 2000

942D0424

## SENATE TAXATION COMMITTEE

### ENGROSSED NO. **SB80** - 2/7/00

Introduced by: Senators Staggers, Albers, Dennert, Drake, and Lange and Representatives  
Klaudt, Cerny, Garnos, Koehn, Kooistra, Patterson, Volesky, and Weber

1 FOR AN ACT ENTITLED, An Act to provide a tax refund for agricultural production facilities  
2 and to revise the eligibility requirements.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-45B-1 be amended to read as follows:

5 10-45B-1. Terms used in this chapter mean:

6 (1) "Department," the Department of Revenue;

7 (2) "New agricultural processing facility," a new building or structure, the construction  
8 of which is subject to contractors' excise tax pursuant to chapter 10-46A or 10-46B.

9 A new agricultural processing facility is any new building or structure constructed for  
10 the initial or subsequent processing of any form of agricultural commodity, product,  
11 or by-product. A new agricultural processing facility does not include ~~any building or~~  
12 ~~structure constructed for raising or feeding of livestock or~~ the expansion of an  
13 existing agricultural processing facility;

14 (3) "New agricultural production facility," a new building or structure, the construction  
15 of which is subject to contractors' excise tax pursuant to chapter 10-46A or 10-46B.

16 A new agricultural production facility is any new building or structure constructed for

1           raising or feeding livestock. A new agricultural production facility does not include  
2           the expansion of an existing facility;

3       (4)   "Person," any individual, firm, copartnership, joint venture, association, limited  
4           liability company, corporation, estate, trust, business trust, receiver, or any group or  
5           combination acting as a unit;

6       (4)(5) "Project," the construction of a new agricultural processing facility at a single site;

7       (5)(6) "Project cost," the amount paid in money, credits, property, or other money's worth  
8           for a project;

9       (6)(7) "Secretary," the secretary of the Department of Revenue.

10       Section 2. That § 10-45B-2 be amended to read as follows:

11       10-45B-2. Any person may apply for and obtain a refund or credit for contractors' excise  
12       taxes imposed and paid under the provisions of chapter 10-46A for the construction of a new  
13       agricultural processing facility or agricultural production facility and for sales or use taxes  
14       imposed and paid by such person under the provisions of chapters 10-45 and 10-46 for the  
15       purchase or use of agricultural processing equipment or agricultural production equipment.

16       Section 3. That § 10-45B-4 be amended to read as follows:

17       10-45B-4. The refund pertains only to project costs incurred and paid after April 1, 1997,  
18       and within thirty-six months of the approval of the application required by § 10-45B-6. No  
19       refund may be made unless:

- 20       (1)   The project cost exceeds the sum of ~~four million five hundred thousand~~ one million  
21           dollars; and
- 22       (2)   The person applying for the refund obtains a permit from the secretary as set forth in  
23           § 10-45B-6.

24       Section 4. That § 10-45B-5 be amended to read as follows:

25       10-45B-5. If the project cost exceeds ~~four million five hundred thousand~~ one million dollars,

- 1 the refund shall be one hundred percent of the taxes attributed to the first one million dollars in
- 2 project cost.

1    **BILL HISTORY**

2    1/18/00 First read in Senate and referred to Taxation. S.J. 71

3    1/26/00 Scheduled for Committee hearing on this date.

4    1/28/00 Scheduled for Committee hearing on this date.

5    1/28/00 Taxation Deferred to another day.

6    2/4/00 Scheduled for Committee hearing on this date.

7    2/4/00 Taxation Do Pass Amended, Passed, AYES 5, NAYS 3. S.J. 316